GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:373
ANSWERED ON:17.04.2008
SUPPLY OF UNDERWEIGHT GAS CYLINDERS
Prasad Shri Hari Kewal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has received complaints regarding supply of underweight gas cylinders by LPG distributors to the consumers;

(b) if so, the State-wise details thereof during the last three years;

(c) whether the licenses of LPG distributors have been cancelled on the basis of these complaints;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 373 BY SHRI HARIKEWAL PRASAD, MP TO BE ANSWERED ON 17TH APRIL 2008 REGARDING SUPPLY OF UNDERWEIGHT GAS CYLINDERS.

(a) to (e): The possibility of diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.Public Sector Oil Marketing Companies (OMCs) have reported that based on the established complaints of supply of underweight cylinders / pilfering product by LPG distributors action has been taken in 56 cases during 2005-06, 29 cases during 2006-07 and 55 cases in April, 2007-February, 2008 as per provisions of Marketing Discipline Guidelines (MDG) / Distributorship Agreements. The State-wise details of complaints received is available with the Directors (Marketing) of OMCs. OMCs have further reported that they have terminated 38 LPG distributorships during the period April, 2005 to February, 2008. The State-wise details of terminated LPG distributorships is annexed. Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the MDG. MDG provides for following action against the distributor:-

Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence.

Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against blackmarketing of domestic LPG. Similarly, the Weights and Measures Departments of the States / UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Governments have been alerted from time to time to take steps against the black-marketing of domestic cylinders for unauthorized usage. Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public is also sought to report any irregularity / malpractice to the OMCs. The officials of OMCs carry out checks at distributors' godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified & shown to the customers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced free of charge by the OMCs.

ANNEXURE

STATE-WISE DETAILS OF TERMINATED LPG DISTRIBUTORSHIPS

Name of State	No. of LPG Distributorships Terminated
Andhra Pradesh	3
Bihar	1
Gujarat	2
Haryana	4
Himachal Pradesh	1
Jharkhand	1
Karnataka	2
Kerala	1
Madhya Pradesh	1
Maharashtra	5
Punjab	3
Rajasthan	6
Tamil Nadu	3
Uttar Pradesh	5
Total	38